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SUBJECT: ICELAND UNVEILS PLANS FOR UNIVERSITY ON KEFLAVIK BASE ONE
YEAR AFTER BASE CLOSURE ANNOUNCEMENT

11. Summary: The one-year anniversary of the March 15, 2006 announcement of the closing of U.S. Naval Air Station Keflavik (NASKEF) passed quietly, marked only by the announcement that part of the former base will become a university-level institution focusing on international education and technology. End Summary.

12. There was no media coverage of the base closing in the weeks leading up to the anniversary of the announcement. On March 14, the day before the anniversary, Prime Minister Geir H. Haarde mentioned in a speech to the Althing (Parliament) that the base closing, although unexpected, had resulted in the transfer of valuable property to the Iceland and opened economic development opportunities.

13. Haarde's speech was a prelude to a ceremony held in the base's former chapel on March 15 unveiling the plans for a university-level education center. The ceremony was covered March 16 by leading daily Morgunbladid, under the headline, "Moving Forward at Keflavik Base." During the ceremony local officials of Reykjanesbaer, the Keflavik Airport Development Corporation (Kadeco) and the University of Iceland signed a declaration of intent in cooperation with several business enterprises to establish a new international academic community on part of the former base. The plan is to exploit the area's strengths including energy, air traffic and services and international affairs. Representatives of businesses, including Icelandair, The Blue Lagoon, Glitnir bank, Geysir Green Energy, and the air traffic control Flugstodir, were also present.

14. Local officials could barely contain their glee. "We are forging plowshares out of swords," declared Reykjanesbaer Mayor Arni Sigfusson at the signing ceremony. He said one of the most attractive characteristics of the base is its close proximity to Keflavik International Airport. "You could say this is an ideal location." In a later interview with nationwide broadcaster RUV-Radio, Mayor Sigfusson said the base had "first-class" facilities, and that the sports facilities, which include a gymnasium, large indoor swimming pool and gymnastic equipment, are probably the best in the entire country.

15. Runolfur Agustsson, former rector at Bifrost University, has been studying the feasibility of a university at the base site. He said the aim of the educational center will be three-fold: to strengthen the general educational level in Reykjanesbaer, to strengthen vocational training in the area, and to stress university-level education in English to attract more foreign students and teachers. He said the structure of the educational center has not yet been determined, but he believes a university preparatory department could begin operations in the fall. "We foresee an academic community of 1800-2000 people in seven years' time," he said.

Agustsson said he expects the University of Iceland to be the key participant in the project.

¶6. The CEO of Kadeco, Jon Astradur Jonsson, told post that the university project is not the only project planned for the base. He said that there are still several others in the works. Jonsson said that the buildings are pretty much in "move-in" condition for the university, so minimal work will need to be done.

¶7. Embassy Comment: The lack of media and press attention to the anniversary of the announcement underlines that the steam has gone out of the issue of the base closure-as Social Democratic Alliance leader Ossur Skarphedinsson told the Ambassador this week, Iceland has "moved on to other issues." The reiteration at the ceremony yesterday that the U.S. had left the facilities in first-class condition was a welcome acknowledgement of the fine work of former base commander Captain Mark Laughton and his team in maintaining and then shutting down the base. The establishment of a university on the former base will be an excellent use of the real estate and facilities we turned over, and will have a permanent impact on the wellbeing of the Icelandic public.

VAN VOORST